**GOVERNMENT OF INDIA**
**FINANCE**
**LOK SABHA**

UNSTARRED QUESTION NO:4485
ANSWERED ON:12.08.2016
REITs
Kharge Shri Mallikarjun

**Will the Minister of FINANCE be pleased to state:**

(a) the broad outline and features of the Real Estate Investment Trusts (REITs);
(b) the commercial space that could be brought under the REITs to begin with; and
(c) the amount of finance that could be raised in the market through REITs?

# Answer

The Minister of State in the Ministry of Finance

(a): Securities & Exchange Board of India (SEBI) has notified the SEBI (Real Estate Investment Trust) Regulations, 2014 on September 26, 2014 and the regulations are available on the SEBI website at following URL −
http://www.sebi.gov.in/cms/sebi_data/attachdocs/1411722678653.pdf
Some of the salient features of Real Estate Investment Trusts (REITs) are as under:
1. REITs shall be set up as a trust and registered with SEBI. It shall have parties such as Trustee, Sponsor(s) and Manager. The Manager shall assume operational responsibilities pertaining to the REIT.
2. REIT to invest in commercial real estate assets, either directly or through Special Purpose Vehicles (SPVs).
3. REIT to hold controlling interest and not less than 50% of the equity share capital or interest in SPV.
4. Value of the assets owned/proposed to be owned by REIT shall be at least Rs 500 crore.
5. Minimum issue size for initial offer shall be Rs 250 crore.
6. Listing is mandatory.
(b) & (c): Government does not have estimates in this regard.
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